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THE ENGLISH MORATORIUM IN A NEUTRAL STATE. — The influence of the European war on neutral America has many interesting sidelights. One striking illustration of the interdependence of the commercial communities on both sides of the Atlantic is afforded by a recent dispute between New York merchants over the effect of the English moratorium, a sort of measure which prior to August, 1914, seems to have been unheard of in English and American law. An opinion was given by the Hon. Edgar M. Cullen, formerly Chief Justice of the New York Court of Appeals, to whom the matter was referred as arbitrator. *In the Matter of the Arbitration Agreement between Lazard Frères and L. Vogelstein & Co.*, 52 N. Y. L. J. 801. Before the war, a New York banking house made a loan of bills of exchange drawn upon its London correspondents. The borrowers agreed to refund three days before the maturity of the bills in London, at the then prevailing rate of exchange on London. The bills fell due after the outbreak of war, but the acceptors did not take advantage of a moratorium which had been proclaimed,[1] and paid them at maturity. The question was whether the New York banker could hold the borrower liable on his contract at the extremely high rates of exchange then prevailing.

[1] This was the Royal Proclamation of August 2, 1914 (No. 1164). THE POSTPONEMENT OF PAYMENTS ACT, ratifying the proclamation and authorizing them in the future, became law on August 3 (4 & 5 Geo. V, c. 11), the second time in English history that a statute has passed through all its stages and become law in a single day. 58 Sol. J. 758, 759.

It was held that he could. The acceptors, who had been supplied with funds to meet the bankers' accruing obligations, were not bound to invoke the moratorium in order that the borrowers might secure the benefit of a possibly lower rate of exchange in the future.

No decision involving this point has been found in the rapidly increasing number of reported English cases dealing with various phases of the recent moratoria, but the result seems to be in accordance with the spirit of the act. It was an emergency measure for the benefit of debtors. They were not obliged to accept its privileges. Indeed, a moratorium proclamation subsequent to the one here in dispute expressly provided that payments before the expiration of this special period of grace were not forbidden.[2]

WIDER JURISDICTION FOR THE UNITED STATES SUPREME COURT. — A recent amendment to the Federal Judicial Code gives the Supreme Court jurisdiction to review *all* cases involving a federal right which have been carried to the state court of last resort for such questions.[1] Hitherto the right of review in such cases has been limited to decisions adverse to the federal right. This is a significant victory for legal reform, won by the American Bar Association after a single-handed fight, with practically no assistance from the press.[2] Congress was reluctant to extend the jurisdiction which had remained substantially without change since the Judiciary Act of 1789,[3] but new conditions bringing new problems have supplanted those which gave rise to the old rule, and it had become a positive obstacle to a just and uniform interpretation of the federal Constitution.

The jurisdiction conferred upon the Supreme Court by the Judiciary Act was wide enough to restrain local jealousies and to preserve the newly created central authority from encroachment by the states. No more was necessary. If a state court in that day and generation sustained a federal right, it would be practically certain to prevail in the Supreme Court also. The denial of an appeal in such cases was a wise measure to prevent fruitless litigation.

To-day the most important disputes arising under the Constitution no longer turn upon conflicts between the states and the national government, but between the states and their own citizens. The state judiciary no longer harbors a local jealousy of central authority. But many state judges, clinging tenaciously to an outworn economic creed, are likely to regard as offending the Fourteenth Amendment humanitarian legislation which the Supreme Court would sustain if the case

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[2] Proclamation of Sept. 30, 1914, s. 4. 58 Sol. J. 854.

[1] PUBLIC ACT NO. 224; 63d CONGRESS, SENATE BILL No. 94; Approved Dec. 23, 1914, amending FED. JUD. CODE of 1911, c. 10, § 237.

[2] The measure was proposed in the report of a special committee of the American Bar Association in 1911, which was adopted without change by the Association. 36 A. B. A. 462, 469, 48. It was passed by the Senate in the 62d Congress, but not by the House. 37 A. B. A. 559, 564; 38 A. B. A. 547.

[3] Sec. 25.